



April 26, 2011

The Honorable Fred Upton
Chairman
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Joe Barton
Chairman Emeritus
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Joseph R. Pitts
Chairman
Subcommittee on Health
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Michael C. Burgess
Vice Chairman
Subcommittee on Health
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Henry Waxman
Ranking Member
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable John Dingell
Chairman Emeritus
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Frank Pallone, Jr.
Ranking Member
Subcommittee on Health
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Upton and Pitts, Chairs Emeritus Barton and Dingell, Ranking Members Waxman and Pallone and Dr. Burgess:

On behalf of the 130,000 internal medicine specialist and medical student members of the American College of Physicians (ACP), I wish to express my deep appreciation for your bipartisan request for ideas on how to move to a new Medicare payment system that reduces spending, pays physicians fairly, and pays for services according to their value to the patient. ACP is the largest medical specialty society and second largest physician membership organization in the United States, representing internal medicine physicians who specialize in primary and comprehensive care of adolescents and adults and medical students who are

considering a career in internal medicine. As you requested, attached is the College's proposal for stabilizing, improving, and innovating Medicare payment policies leading to broad adoption of new value-based payment models.

We propose a two-stage process. During the first stage, Medicare would stabilize and improve payments under the current Medicare fee schedule for the next five years by eliminating the sustainable growth rate (SGR) as a factor in establishing annual updates and by ensuring higher payments and protection from budget neutrality cuts for undervalued evaluation and management services. Also, during this stage, physicians who voluntarily participate in specific, designated Physician Payment Innovation Initiatives—including Patient-Centered Medical Homes, Accountable Care Organizations, and other models that meet suggested criteria for value to patients—could qualify for appropriately higher payments. Then, during stage 2, physicians would be given a set timetable to transition their practices to the models that Congress and the Department of Health & Human Services (HHS) has determined to be most effective based on experience with the payment initiatives evaluated during stage 1, leading to permanent replacements to the existing Medicare payment system. A distinguishing feature of the ACP proposal is that we recommend the development of different payment initiatives for different specialties and types of practice, rather than a “one-size-fits-all” model for all physicians.

The College looks forward to continued discussion on how our ideas might be incorporated into legislation that meets the Energy and Commerce Committee's bipartisan objective “to begin the process of developing a long-term solution” instead of “the unwanted choice of extending a fundamentally broken payment system or jeopardizing access to care for Medicare beneficiaries.”

Yours truly,

A handwritten signature in black ink, appearing to read "Virginia Hood". The signature is fluid and cursive, with the first name "Virginia" written in a larger, more prominent script than the last name "Hood".

Virginia Hood, MBBS, MPH, FACP
President